



SENATOR RUNNER'S WEEK IN REVIEW

A WEEKLY REVIEW THAT WILL KEEP YOU INFORMED AND UP-TO-DATE



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2005-06 Budget Highlights

The California State Legislature passed a \$117 billion budget yesterday. The Governor is expected to sign the budget no later than Monday.

The good news is there are no new taxes. We also fought to have spending looked at more closely and we made some progress this year in closing the deficit. We put ourselves in a deep hole under Governor Davis, but this budget is moving us in the right direction.

It's a balanced budget this year, however, we need to continue to hold the line on government spending in future years. It is critical that we guard against raising revenues through tax increases.

Furthermore, I believe that the Legislature and the Governor also need to be given the ability to do mid-year corrections in order to reverse once and for all California's structural budget deficits. It is important that we learn to live within our means and I will continue to urge the Legislature to adopt a measure that would give us those tools to truly keep our budget balanced.

Highlights

- No new taxes.
- There is no new borrowing and some of the state's debt is repaid.
- The budget increases funding for our priorities – education, the state's infrastructure and public safety.
- There are still some out-year problems and a need for structural reform of the system and the ability to make mid-year cuts.
- This budget proposal is a compromise – there is still too much debt and the state's spending seems to be on auto-pilot.

No New Taxes

- This budget fulfills the Governor's promise not to raise taxes.
- California is already one of the most taxed states in the nation with the highest state sales tax rate in the nation.
- Not only are there no new taxes, but the budget reinstates two tax credits for seniors.

News of the Week

[Budget Passed by State Legislature](#)

[Local Cities To Receive Needed Transportation Dollars in California's New Budget](#)

[Bill to Help High Desert Economy Passes Committee](#)

[Legislative Committee Kills Amendment to Establish CA Border Police](#)

[Officials Expect Santa Paula Airport to Reopen in July](#)

[Honoring American Heroes](#)

[Editorial: Securing Our Borders](#)

[Briefing Report: State Regulation of Insurance](#)

The Budget Increases Education Funding

- The budget increases education spending by \$3 billion dollars, which means that for the first time the state will spend more than \$10,000 per pupil.
- This budget provides \$30 million in community college equalization funding with over \$900,000 going to community colleges in our communities.

One Time Revenues Being Used for Transportation Projects

- With the state receiving unanticipated additional one-time revenues, this budget follows the Governor's proposal to allocate some of those resources for one-time infrastructure needs such as improving the state's transportation system.
- By allocating \$1.3 billion to Proposition 42, we are ensuring that transportation funding is a priority -- a high priority.

Paying Back Debt with One Time Revenues

- Local governments will receive an early repayment of \$1.2 billion borrowed by the state for the loss of vehicle license fee revenue – half to be paid this year and half will be paid next year.

Multi Year Problem - Multi Year Solution

- The Governor inherited a multi-billion dollar budget problem that was the result of several bad budgets. To address a multi-year problem, we are employing a multi-year solution.
- Last year was a stop gap budget to keep us from going further into debt. This year the compromise budget reduces the debt, which will help make California fiscally sound.
- While 2006 will be another difficult budget year, this budget will help put us in a better position to address next year's shortfall.
- We also need structural reform to ensure that we do not ever face such a fiscal crisis again and the ability to make mid-year cuts.

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